GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:4045
ANSWERED ON:09.08.2002
BAN ON SETTING UP OF TRADING UNITS IN EPZ
GANGASANDRA SIDDAPPA BASAVARAJ;YEMPARALA VENKATESWARA RAO

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Government have recently banned setting up of new trading units in Export Promotion Zones and also import of duty - free inputs by the existing trading units;

(b) if so, the reasons therefor;

(c) whether the Government have also banned duty - free imports by service providers;

(d) whether SEZ Units are entitled to procure goods displayed at international exhibitions held in India without payment of duty; and

(e) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI RAJIV PRATAP RUDY)

(a) & (b) : In Chapter-6 of the Export & Import Policy (1st April, 2002 - 31st March, 2007), the paragraph relating to setting up of new trading units under Export Oriented Units(EOUs) and Export Processing Zones (EPZs) scheme has been deletedThere is, however, no bar in the Policy on duty free imports of inputs by trading units, which were operational on 31.3.2002 for exports.

(c) Service providing units under EOU/EPZ scheme are allowed to import goods for physical and deemed export of services as per the Export and Import Policy.

(d) & (e) : In terms of paragraph 7.2 (c) of the Export & Import Policy, units in Special Economic Zones may procure goods required by it without payment of duty from international exhibitions held in India.